

# ProntoForms Corporation Announces Q1 2015 Results

OTTAWA, ON - (April 30, 2015)

## Highlights:

- Winner of the 2015 Frost & Sullivan Competitive Strategy, Innovation and Leadership Award for the Mobile Forms Industry
- Entered into an agreement with Apple (NASDAQ: AAPL) to technically enhance the ProntoForms solution on Apple platforms and deliver it through their distribution channels
- Q115 recurring revenue of \$1,642,424, an increase of 17% over Q414 and 51% over Q114
- Q115 total revenue of \$1,867,779, an increase of 15% over Q414 and 37% over Q114

**ProntoForms® Corporation**(TSX VENTURE: PFM)("ProntoForms" or "the Company"),a mobile data solutions company today announced results for its 2015 first quarter ended March 31, 2015. All amounts are stated in Canadian dollars unless otherwise noted.

Alvaro Pombo, Chief Executive Officer, ProntoForms, said, "I am pleased to report that Frost & Sullivan has recognized Mobile Forms as a breakout category in the mobile enterprise applications space and identified ProntoForms as the leader, winning the 2015 Competitive Strategy, Innovation and Leadership Award. In addition, we recently established a formal relationship with Apple to technically enhance our solution on their platforms and distribute it throughout their various channels. Apple recently announced their intention to work closely with a select group of leading business software and solution providers to bring a broad range of innovative mobile solutions to more customers."

Mr. Pombo added, "The focus of our business is building a recurring revenue base. Fiscal year 2015 has started in a positive way with a recurring revenue increase of 17% and total revenue increase of 15% over our 2014 fourth quarter. Recurring revenue provides lasting value through significant and predictable revenue and cash flows for future periods. Our operational focus and additional investments have delivered an upward trend in our growth rate over the last two quarters."

"Furthermore, we have an excellent business foundation with the 'professional' version of our product line that is growing well on the basis of high usage and customer loyalty. Our new 'standard' version, which started selling via operator channels and private label in late 2014, provides an ongoing opportunity for revenue growth with operators and other partners around the world. In the first quarter we also added executive strength to enable the scaling of sales operations. These developments set up ProntoForms well to take advantage of a newly defined and rapidly growing industry sector and significant business upside in many large industry sectors globally."

## Operating Results for the Three Months Ended March 31, 2015

	<b>Three Months Ended</b>		
	<b>March 31, 2015</b>	<b>December 31, 2014</b>	<b>March 31, 2014</b>
Total revenue	\$ 1,867,779	\$ 1,621,826	\$ 1,360,730
Loss from operations	(724,892)	(672,185)	(124,056)
Net loss	(636,349)	(683,379)	(176,645)
Basic and diluted loss / share	\$ (0.01)	\$ (0.01)	\$ -

Total revenue for the first quarter of 2015 of \$1,867,779 represented an increase of 15% from total revenue for the 2014 fourth quarter of \$1,621,826 and 37% growth over total revenue of \$1,360,730 for the quarter ended March 31, 2014.

Revenue details are as follows:

	<b>Three months ended</b>			<b>Change from</b>	<b>Comparable</b>
	<b>March 31, 2015</b>	<b>December 31, 2014</b>	<b>March 31, 2014</b>	<b>Previous 2014 Q4</b>	<b>2014 Q1</b>
<i>Recurring revenue</i>	\$ 1,642,424	\$ 1,407,834	\$ 1,089,335	17%	51%
<i>Misc. services</i>	225,355	213,992	271,395	5%	-17%
<b>Total revenue</b>	<b>1,867,779</b>	<b>1,621,826</b>	<b>1,360,730</b>	<b>15%</b>	<b>37%</b>

Recurring revenue for the three months ended March 31, 2015 was \$1,642,424 compared to \$1,407,834 in the fourth quarter of 2014 representing a sequential increase of 17% and compared to \$1,089,335 for the first quarter in 2014 representing an increase of 51%. Approximately 90% of the recurring revenue base is in US dollars and the strengthening of the US dollar against the Canadian dollar had a significant impact on our recurring revenue growth and results.

Recurring revenue from operator channels increased to \$932,651 in the first quarter of 2015 from \$812,809 in the fourth quarter of 2014, representing operator revenue growth of 15% over previous quarter and 37% over the 2014 first quarter operator subscription revenue of \$680,229. In the third quarter of 2014, the Company launched a "standard" version of its product which sells for approximately half the price of its "professional" version. Recurring revenue of \$101,225 was realized on the "standard" product in the 2015 first quarter compared to 2014 fourth quarter "standard" recurring revenue of \$71,524.

Other services revenue was \$225,355 for the first quarter of 2015 compared to \$213,992 in the fourth quarter of 2014 and \$271,395 for the comparable first quarter in 2014.

The 2014 first quarter other fees revenue included approximately \$172,000 from large contracts with large customers including major operators and smartphone vendors while the Q42014 other fees revenue included \$178,000 and the Q12014 other fees revenue included approximately \$235,000 from this same group. Revenue from these larger contracts is subject to variability from quarter to quarter based on the availability of contracts from customers and availability of resources to perform the work due to competing internal product development and/or marketing objectives.

The Company had a net loss of \$636,349 for the three months ended March 31, 2015 compared to a net loss of \$176,645 for the three months ended March 31, 2014 and \$683,379 for the three months ended December 31, 2014. Non-GAAP Net Loss (see Non-GAAP Financial Measures below) for the three months ended March 31, 2015 was \$414,213 compared to non-GAAP Net Loss of \$99,749 for the first quarter of 2014 and \$372,111 for the fourth quarter of 2014.

Loss from operations (see Non-GAAP Financial Measures below) was \$724,892 for the three months ended March 31, 2015 up from \$124,056 for the comparable first quarter of 2014 and \$672,185 for the previous fourth quarter of 2014. Non-GAAP Loss from Operations (see Non-GAAP Measures below) was \$565,392 for the first quarter of 2015 compared to \$105,671 for the first quarter of 2014 and \$482,433 for the fourth quarter of 2014.

The increase in operating loss can be attributed to 1) a conscious approach to increase expense to add more operational and sales productivity and 2) an increase in share-based compensation to \$159,500 in the first quarter of 2015 compared to only \$18,385 in the first quarter 2014 and \$189,752 for the fourth quarter of 2014.

As at March 31, 2015, the Company had cash and cash equivalents of \$2,351,283 and net working capital of \$2,473,643.

### Non-GAAP Financial Measures

The Company uses "Non-GAAP Loss from Operations" as a non-GAAP financial measure but it is not a defined term under IFRS to assess performance. Non-GAAP Loss from Operations is calculated as follows:

	<b>Three Months ended March 31,</b>	
<b>Non-GAAP Loss from Operations</b>	<b>2015</b>	<b>2014</b>
GAAP Loss from Operations	\$ (724,892)	\$ (124,056)
Add back:		
Share based compensation	159,500	18,385
	\$ (565,392)	\$ (105,671)

Management use this information to measure operating results in relation to available working capital and cash and believes that this measure provides useful supplemental information to investors and is computed on a consistent basis for each reporting period.

The Company uses "Non-GAAP Net Loss" as a non-GAAP financial measure within the MD&A but it is not a defined term under IFRS to assess performance. Non-GAAP Loss from Operations is calculated as follows:

	<b>Three Months ended March 31,</b>	
<b>Non-GAAP Net Loss</b>	<b>2015</b>	<b>2014</b>
GAAP Net Loss	\$ (636,349)	\$ (176,645)
Add back:		

Share based compensation	159,500	18,385
Accretion on long-term debt	22,975	20,061
Change in fair value of derivative	39,661	38,450
	\$ (414,213)	\$ (99,749)

Management use this information to measure financial results in relation to available working capital and cash and believes that this measure provides useful supplemental information to investors and is computed on a consistent basis for each reporting period.

### **About ProntoForms® and ProntoForms Corporation**

ProntoForms is a mobile workflow solution used by over 3,000 business customers to collect, receive and submit data in the field. Available for smartphones and tablets, the ProntoForms solution incorporates a mobile device App, a Web management portal to manage teams and data flow, and provides the ability to export or connect data to the back office or to popular cloud services. The scalable solution is deployed by any size business, in any industry, to speed up business processes, raise productivity and achieve operational excellence. ProntoForms is a Frost & Sullivan winner of the North American Customer Value Leadership Award for Mobile Forms.

ProntoForms Corporation has a powerful and proprietary patent portfolio, from which the ProntoForms mobile App and Web reporting portal have been developed. The company trades on the TSXV under the symbol PFM. ProntoForms is the registered trademark of ProntoForms Inc., a wholly-owned subsidiary of ProntoForms Corporation.

Certain information in this press release may constitute forward-looking information. For example, statements about the Company's future growth or value are forward-looking information. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward looking-statements unless and until required by securities laws applicable to the Company. Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

There are a number of risk factors that could cause future results to differ materially from those described herein, including but not limited to the following: (i) there can be no assurance that the Company will earn any profits in the future or that profitability, if achieved, will be sustained; (ii) if the Company is not able to achieve profitability, it will require additional equity or debt financing, and there can be no assurances that the Company will be able to obtain additional financial resources on favourable commercial terms or at all; (iii) the Company's quarterly revenues and operating results may fluctuate, which may harm its results of operations; (iv) the loss of business from a major customer, operator or other reseller could reduce the Company's sales and harm its business and prospects; (v) a portion of the Company's sales are through operators and other resellers, and an adverse change in the Company's relationship with any of such operators or other resellers may result in decreased sales; (vi) the market for software as a service is at a relatively early stage of development, and if it does not develop or develops more slowly than expected, the Company's business will be harmed; (vii) the Company faces competition from other software solution providers, which may reduce its market share or limit the prices it can charge for its software solutions; (viii) a global economic downturn or market volatility may adversely affect our business and/or our ability to complete new financings; (ix) the business of the Company may be harmed if it does not continue to penetrate markets; (x) the success of the business depends on the Company's ability to develop new products and enhance its existing products; (xi) the Company's growth depends in part on the success of its strategic relationships with third parties; (xii) the financial condition of third parties may adversely affect the Company; (xiii) the US dollar may fluctuate significantly compared to the Canadian dollar, causing reduced revenue and cash flow as most of our revenues are received in US dollars while most of our expenses are payable in Canadian dollars; (xiv) subscription services which produce the majority of the Company's revenue are hosted by a third party service for the Company and any interruption in service could harm its results of operations; (xv) the Company may be liable to its customers or third parties if it is unable to collect data or it otherwise loses data; (xvi) the Company may be liable for the handling of personal information; (xvii) intellectual property claims against the Company may be time consuming, costly to defend, and disruptive to the business; (xviii) the Company uses open source software in connection with its products which exposes it to uncertainty and potential liability; (xix) economic uncertainty and downturns in the software market may lead to decreases in the Company's revenue and margins; (xx) any significant changes in the technological paradigm utilized for building or delivering applications in Smartphone devices could harm the Company's business and prospects; and (xxi) if the Company loses any of its key personnel, its operations and business may suffer. Please see "Risk Factors Affecting Future Results" in the Company's annual management discussion and analysis dated March 26, 2015 found at [www.sedar.com](http://www.sedar.com) for a more complete discussion of these and other risks.

Readers are cautioned not to place undue reliance on forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

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